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12 MAY 1964

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT: The 1964 Cuban Sugar Harvest

1. We currently estimate that Cuban sugar production this year will be about 3.8 million metric tons -- the same low level as last year.

2. Re-emphasis by the regime on sugar production during the last two years took the form primarily of extensive cane replanting. This probably would have resulted in a sugar harvest of about 4.2 million metric tons had it not been for (a) the "Second Agrarian Reform" of October 1963, which extended bureaucratic government control over Cuban cane land from about 50 percent to about 70 percent of the total, and (b) the damage done to the cane in Oriente and to a lesser extent in Camaguey by Hurricane Flora, also in October 1963.

3. A production of 3.8 million metric tons would be insufficient for Cuba to fulfill both its international commitments and domestic needs. On May Day Castro stated that Cuban sugar export commitments this year amounted to 3.8 million metric tons. Domestic consumption will almost certainly be no lower than 300 thousand metric tons and could well be as high as 400 thousand metric tons. This means that sugar production this year probably will be 300 to 400 thousand metric tons short of Cuba's total requirements. However, it is very likely that the bulk of this short-fall will be offset by reduced exports to the USSR. Cuba has an export commitment of 1.6 million metric tons to the Soviets and a reduction of 400 thousand metric tons would still result in exports to the USSR equal to last year's exports.

4. It was widely reported that Cuba purchased 10,000 tons of refined sugar from a British sugar company for shipment to Bulgaria and 10,000 tons of raw sugar in Paris for shipment to Red China, ostensibly because domestic sugar production was insufficient to meet export commitments.



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5. The speech by Carlos Rafael Rodriguez, the chief agricultural official in Cuba, on 9 May 1964 (as reported in today's Washington Post) does not indicate that production this year will be less than our estimate of 3.8 million metric tons.

6. It is standard practice for the regime to exhort workers to harvest cane more quickly at this stage of the harvest. In May the heavy rains usually begin and these rains hinder but do not necessarily stop the harvesting operations. Moreover, with the start of the rainy season the farm workers become eager to plant their other crops. The regime normally encourages the sugar worker at this time to stay on the job and to work harder. It has now become customary for the cane harvest to continue into early July and the regime must resort to exhortations to keep the workers in the fields for such a long period of time. Last year the harvest continued until 8 July in spite of the onset of the rainy season and Cuba was able to produce 600 thousand metric tons after May Day. It is significant that many more sugar mills are presently operating in Cuba compared to last year, indicating an intention and a potential to continue the harvest perhaps beyond last year's ending date.

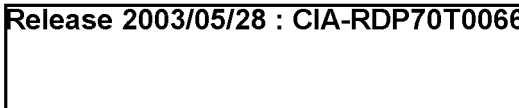
7. The statement by Rodriguez that Hurricane Flora had dramatic repercussion for Camaguey and Oriente is probably accurate. Oriente is normally the Province with the highest sugar yields from cane. This year the yields in Oriente are only mediocre with the result that the total sugar yield this year will be one of the lowest on record, to a great extent resulting from the flooding and cane damage caused by Hurricane Flora. However, we have taken this effect into consideration in arriving at the estimate of 3.8 million metric tons.

8. We have reviewed Under Secretary of State Ball's presentation on Cuba to the NATO Council, all the essentials of which he repeated in his more recent speech in Roanoke, Virginia. With the exception of certain relatively minor points which Under Secretary Ball obviously made for policy emphasis, our evidence on the state of Cuban economy is fundamentally in accord with the picture he presented. Most of the quantitative data he cited were based on material we have made available to the State Department over the last 12-18 months.

9. Although calculations we made about 16 months ago were probably the basis for Mr. Ball's reference to a decline of about 20 percent in the Cuban standard of living, our judgment today is that the 20 percent figure overstates the actual overall extent of decline. Also, we would currently estimate Cuba's 1963 exports at closer to \$520 million than the \$475 million figure used by the Under Secretary. We would not, as Mr. Ball did, characterize Cuba's industrial plant as rapidly wearing

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out; as we see it, machinery has been deteriorating but the process appears to be a gradual one. Much of the sugar machinery was obsolescent before Castro took over but Cuba continues to have a grinding capability well in excess of actual production levels of recent years. We reiterate, however, that these points of difference are not of sufficient weight to affect materially any of the major judgments in Under Secretary Ball's policy presentation.

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Acting Assistant Director
Research and Reports



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11 MAY 1964

MEMORANDUM FOR:

O/DO/I (Management)

SUBJECT:

ORR Research on Vietnam,
1950 - 1964

1. Attachments A and B to this memorandum summarize the geographic, cartographic and economic intelligence concerning Vietnam produced by ORR during the period 1950 - 1964.

2. You will note that the bulk of this research has been accomplished during the past two years. The requisite adjustments to this emphasis upon Vietnam have been made with relatively little difficulty and by means that have come to be regarded as routine. No unique problems have been encountered.

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Acting Assistant Director
Research and Reports

Enclosures

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Attachment
A
7 MAY 1964

MEMORANDUM FOR: Acting Assistant Director, Research and Reports

SUBJECT: Geographic Intelligence Production on Indochina,
1950 to Present

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1. [] produced 40 reports on Indochina during the period 1 January 1950 - 31 March 1964. Twenty-seven of these reports were undertaken [] 2 were prepared for the Department of State; and 11 were produced as basic research support to planning, briefing, and estimates personnel. A list of the reports, with dates of issue, is attached. It will be noted that while one or more reports were produced in every year except 1956, almost one-half of the total output is concentrated in the two years following January 1962.

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2. During the same period, [] produced 407 maps, charts, and other cartographic items in support of CIA and Department of State requirements on Indochina. The bulk of the production was undertaken in support of current intelligence analysis; geographic, economic, and other basic research activities; []

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a. These 407 cartographic items were used as follows:

<u>Categories</u>	<u>Items</u>
(1) In support of National Intelligence Estimates	26
(2) In support of current intelligence requirements	123
(3) []	64
(4) Briefing support	37
(5) Production for the National Intelligence Survey	54
(6) Geographic, economic, and other research-support	66
(7) General planning and orientation map support [] initiated maps for intelligence community use)	10
(8) Other (maps, charts, sketches, etc., not covered in above)	27
Total	407

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b. The chronological distribution of the cartographic support was as follows:

	<u>Number of Items</u>	<u>%</u>
1950 - 1953	41	10
1954 - 1957	83	21
1958 - 1961	115	28
1962 - 1964	168	41
1950 - 1964	<u>407</u>	<u>100</u>

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Chief, Geographic Research

Enclosure:

Listing of Production on Indochina,
1 January 1950 - 31 March 1964

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**Economic Research on North and South Vietnam
1950 - 1964**

Economic research on what was then Indo-China began in April 1954 when ORR initiated a study on the transportation routes used to supply the Viet Minh from Communist China

During the remainder of 1954 and 1955, ORR provided considerable additional support concerning Viet Minh logistics. After the formation of North Vietnam, ORR began to follow the economy of that country and prepared a number of studies on the overall economy and on specific sectors, particularly food and agriculture. Except for several comparisons of the economies of North and South Vietnam, ORR did not do economic research on South Vietnam until 1962. Since then several projects were done on South Vietnam in support of ONE

Economic intelligence support on both North and South Vietnam increased sharply during the first quarter of 1964. Most of this support concerned status of transportation facilities and construction of new railroads, highways, and airfields in North Vietnam, and the probable impact of various economic warfare measures against North Vietnam.

Attached is a list of economic research projects on Vietnam during 1954 - April 1964. The following is a breakdown of the consumers of these projects:

Articles for OCI Publications	35
Memoranda for USIB Watch Committee	35
Contributions to National Estimates	8
NIS Sections	8
Other Support	30
Self-Initiated Projects	33

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